Steps for better Financial Management

†*419. SHRIMATI SAROJ DUBEY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that financial management in the Central as well as the State Governments is not in order and the Central Government had to take remedial policy decision to remove the financial imbalance;

(b) whether it is a fact that the closing of accounts in States takes a long time; and

(c) if so, whether Government are considering to create a special financial service or a cadre of financial management experts so that better evaluation of expenditure is made?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Under the Constitution, financial management of the States is primarily their responsibility. Several States have embarked upon fiscal reform programmes. Whenever a State passes through periodic ways and means problem, the Government of India provides in advance their entitlements of Plan assistance, share in Central taxes etc. besides ways and means advances to bridge temporary mismatches in their receipts and expenditure. In the Centre, various measures, medium and long term have been initiated to meet the challenge of fiscal and financial management.

(b) The accounts of the State Governments are compiled and generally closed by the due date (i.e. 5th of the 2nd following month for monthly accounts and 15th May for March accounts) after receipt of initial accounts from Treasuries, Public Works and Forest Divisions and other Units. There is some delay in closing of the accounts in some States.

(e) No, Sir. Adequate arrangements in this regard are already in place.

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†Original notice of the question was received in Hindi.